United States

Department of the Interior

Bureau of Land Management

Miles City Field Office

Oasis Petroleum

Matador APD

Environmental Assessment (EA)
DOI-BLM-MT-C020-2013-0125-EA

For Further Information Please Contact:

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ENVIRONMENTAL ASSESSMENT REVIEW

OFFICE/AREA: Miles City Field Office	**DOI-BLM-MT-C020-2012-125-EA**
	DATE POSTED: April 16, 2013
NAME: Oasis Petroleum North America, LLC	**DATE DUE: April 23, 2013**
	FUNDING: 9141 EJ
LOCATION: **390 ft. FSL, 1960 ft. FEL** **SW¼SE¼, Section 7, T. 26 N., R. 58 E.** **Richland County, Montana**	

ORIGINATOR DATE/INITIALS	TITLE	ASSIGNMENT
Rick Lang	**Natural Resource Specialist**	**Oil and Gas**

REVIEWERS	TITLE	ASSIGNMENT	DATE/INITIALS
Doug Melton	**Archaeologist**	**Cultural/Paleo**	5/1/13 DM Cultural Report MT-020-13-28
Paul Helland	**Petroleum Engineer**	**Subsurface Resources**	**5-1-2013/PH**
Dale Tribby	**Wildlife Biologist**	**Wildlife**	***4/26/13 dct***
Chris Robinson	**Hydrologist**	**Hydrology/Reclamation Reviewer**	**6/18/2013 CWR**
Guy Stickney	**Engineer**	**Reclamation Reviewer**	**6/19/13 GS**
Dan Benoit	**Supervisory NRS**	**Reviewer**	**6/19/13 DAB**

ENVIRONMENTAL COORDINATOR — 6/20/2013 **DATE**

ENVIRONMENTAL ASSESSMENT

EA NUMBER: DOI-BLM-MT-C020-2013-125-EA

PROPOSED ACTION/TITLE TYPE: Oasis Petroleum North America, LLC, 1 APD, Matador Federal 2658 43-7H, MTM070411

LOCATION OF PROPOSED ACTION: SW¼SE¼, Section 7, T. 26 N., R. 58 E. Richland County, Montana (MT)

PREPARING OFFICE: Miles City Field Office (MCFO), Miles City, MT

APPLICANT: Oasis Petroleum North America, LLC

DATE OF PREPARATION: April 4, 2013

CONFORMANCE WITH APPLICABLE LAND USE PLAN: This proposed action is in conformance with the Big Dry Resource Management Plan (RMP) Record of Decision (ROD) approved in 1996. On page 14 of the ROD, it states "The BLM planning process determines availability of federal lands for oil and gas leasing where BLM is the surface management agency.", and on page 13, "A lease grants the right to explore, extract, remove, and dispose of oil and gas deposits that may be found on the leased lands. The lessee may exercise the rights conveyed by the lease, subject to lease terms and any lease stipulations and permit approval requirements." The proposed well would be located in an area that is open to oil and gas leasing, exploration and development (ROD, page 15). The proposed well would be drilled on existing Federal leases that do not include stipulations; however, BLM can impose requirements as part of the approved permit (ROD, page 14).

PURPOSE AND NEED: The purpose and need of this action is to determine whether to permit environmentally responsible exploration and development of the oil and gas resource within the project area, consistent with the existing leases to continue to meet the nation's energy needs. This includes development of this project with the appropriate mitigation consistent with the goals, objectives, and decisions of the Big Dry Resource Management Plan and within the constraints of applicable policies, regulations, and laws.

DESCRIPTION OF PROPOSED ACTION AND ALTERNATIVES:

PROPOSED ACTION: The proposed action is to construct an access road and a level well pad on fee surface and drill a horizontal well into the Bakken Formation. The surface location of the well would be on privately owned (fee) surface over privately owned (fee) minerals in the SW¼SE¼ of Section 7, T. 27 N., R. 58 E. (see table 1) and would penetrate Federal mineral lease MTM070411 in the horizontal portion of the drill hole. After the well is drilled, it would be tested and if commercial quantities of oil or gas are discovered, the well would be completed for production. Drilling is expected to begin as soon as all necessary permits have been obtained. The drilling operations are expected to take approximately 30 days and the completion operations are expected to take 30 days. The horizontal well would penetrate Federal and fee minerals, and would be plugged and abandoned when it is no longer useful. After the well has been plugged, the location would be cleared of all facilities and equipment and the surface would be reclaimed. The well would be drilled and completed in full compliance with all applicable laws, regulation (43 CFR 3100), Onshore Oil and Gas Orders, the Application for Permit to Drill (APD), and any Conditions of Approval.

Table 1.

Well name and Number/Lease No.	Drilling Pad Footages, (acres disturbed from pad and stockpile; max cut/fill)	Access Road/Flowline Footages (acres disturbed)	Total
Matador Federal 2658 43-7H, MTM070411	320'x430' (7.5 acres; 42.9'/ 30.5')	411' x 35' (.33 acres)	7.8 acres

Access

The proposed well is approximately 22 miles northwest (straight-line distance) of Sidney, Montana. Total distance from Richland to the proposed location using State Highways, County Roads, and the well roads is approximately 35 miles. The proposed well is in an existing field (Missouri Field).

Approximately 411 feet of new access road would be constructed. It would be constructed as a crowned and ditched road with a running surface of 18 feet and a maximum disturbed width of 35 feet. There are no major cuts and fills along the access route. Three 18" culverts would be installed along the proposed access and a cattle guard would be installed at the fence line. The access road and well pad would be surfaced with scoria. The access road would be constructed in accordance with the guidelines established for oil & gas exploration and development activities as referenced in the joint BLM/USFS publication: *Surface Operating Standards for Oil and Gas Exploration and Development*, Fourth Edition and/or BLM Gold Book (Gold Book).

Well site Construction and Drilling

The proposed well pad would be approximately 320 feet wide × 430 feet long (4.04 acres disturbed from pad and stockpile). The well site would be leveled, all topsoil and subsoil would be removed from the area needed for well pad construction and saved for reclamation. The leveling would require a maximum 38.2 feet deep cut on the north side of the pad and a maximum of 36.6 feet fill on the south corner of the pad. In order to, help ensure site stability, public health and safety and minimize erosion an "Engineering and Reclamation Plan" has been prepared by the proponent and reviewed by a BLM engineer. Details pertaining to site construction and reclamation can be found in the previously mentioned plan. Generally, topsoil and vegetation would be stripped together to a depth of 6 inches (or maximum available) and stockpiled near the well pad. All soil material disturbed would be placed in areas where it can be retrieved and would be stored to prevent material from entering drainages. Straw waddles would be installed at 20-foot intervals on all cut and fill slopes. If there is snow on the ground when construction begins, the operator would remove it before the soil is disturbed, and pile it downhill from the topsoil pile location. If ground frost prevents the segregation and removal of the topsoil material from the subsoil material, cross-ripping to the depth of the topsoil material may be necessary.

This well would be drilled with fresh water to the base of surface casing and then with oil-based invert mud system to casing point. Any salts and or chemicals, residual fluids from the drilling mud, produced water or flow back fluids associated with this well would be disposed of at Windy Butte Reclamation facility in Sec. 31, T28N, R59E or the Avery Bakken Disposal Facility located in Sec. 23, T24N, R59E. Oil base mud would be treated and re-used at a future well site. Water will be trucked by contractor, and no water well will be drilled on location.

A 150′ long × 50′ wide × 14′ deep, reserve pit would be excavated in "cut" material on the well site. The reserve pit would be lined with a leak resistant plastic liner. The pit would be constructed and used for the final disposal of drilling solids generated as a result of the drilling operation. If the pit contains fluids, the pit would be flagged and fluids vacuumed and disposed of at an approved facility. At the location, the

reserve pit would be fenced during drilling operations on three sides, and when the drill rig is removed, the fence would be completed on the fourth side of each reserve pit. This is done to keep out wildlife and livestock. The solids would be allowed to dry in place and buried. Prior to burial of the pit, drilling fluids and cuttings would be stabilized with fly ash. The pit liner would be pulled over the stabilized solids prior to being permanently buried in the pit. Produced fluids would be contained in sealed tanks.

The proposed action for drilling operations is to drill the well vertically to a depth of 10,162 feet with the horizontal leg extending to a total measured depth of 19,904 feet with the bottom hole located about two miles to the north in the NW1/4NE1/4 of Section 6, T. 26 N., R. 58 E. The well would produce oil and gas from the Bakken Formation. The intermediate portion of the well would be drilled using an invert oil mud system. Shallow aquifers would be protected by setting surface casing to about 1,900' feet and cementing back to surface. Potentially productive hydrocarbon zones and deeper aquifers are isolated by running production casing to 10,162 feet. An appropriately sized blow out preventer (BOP) would be used to control the well and prevent the accidental release of hydrocarbons or salt water into the environment.

Bakken wells typically undergo fracture stimulation as part of the well completion process. Fracture stimulation (i.e., hydraulic fracturing or "fracing") is a process used to maximize the extraction of underground resources by allowing oil or natural gas to move more freely from the rock pores to production wells that brings the oil or gas to the surface. The hydraulically created fracture acts as a conduit in the rock formation, allowing oil or gas to flow more freely through the fracture system, and to the wellbore where the oil or gas is produced to the surface.

To create or enlarge fractures, fluid comprised typically of water and additives is pumped into the productive formation at a gradually increasing rate and pressure. Hydraulic fracturing fluid is approximately 98 percent water and propping agents (proppant), such as sands with the remainder being chemical additives. Chemicals used in stimulation fluids include acids, friction reducers, surfactants, potassium chloride (KCl), gelling agents, scale inhibitors, corrosion inhibitors, antibacterial agents, and pH adjusting agents and typically comprise less than 2% of the total fluid. When the pressure exceeds the rock strength, the fluids create or enlarge fractures that can extend several hundred feet away from the well. As the fractures are created, a propping agent (usually sand) is pumped into the fractures to keep them from closing when the pressure is released. After fracturing is completed, the majority of the injected fracturing fluids returns to the wellbore and is reused or disposed of at an approved disposal facility.

A typical fracture stimulation technique involves 20-30 stages which partition the wellbore into segments which are each separately fracture stimulated. This allows for more efficient use of frac fluid and proppant and a more evenly distributed treatment of the full length of the wellbore. This multi-stage hydraulic fracturing has allowed development of the Bakken formation that was previously uneconomic due to low permeability.

Interim Reclamation

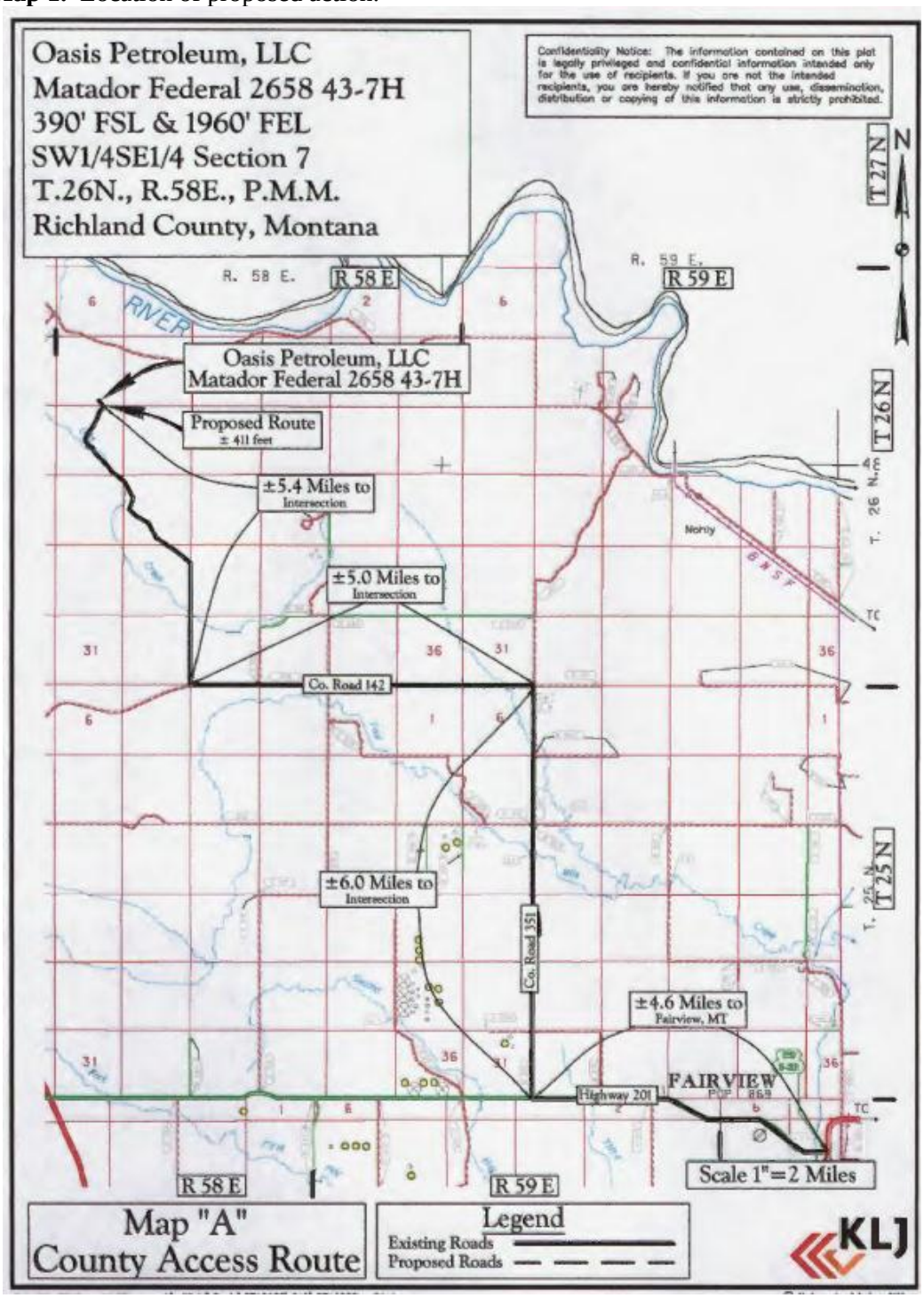
After this well is completed for production, the location and surrounding area would be cleared of all unused tubing, equipment, debris, materials, trash, and junk and items not required for production. The well pad would be reduced in size to accommodate only as much of the area that is needed for the pumping unit and a work-over rig, which is approximately 250 feet by 330 feet (approx. 2 acres). The unused portions of the well pad would be re-contoured, topsoil redistributed, and seeded with the prescribed seed mixture. The top soil areas would be seeded promptly after completion of drilling operations, depending on season/weather constraints. Straw waddles would be installed at 20-foot intervals around the pad. Disturbed areas would be monitored for erosion and action would be taken to stabilize, repair, or re-seed any eroded areas. *(See attached reclamation plan)*

Final Reclamation

When the well is plugged and abandoned, Oasis would submit a Sundry Notice to the Authorized Officer for approval to complete the final abandonment requirements for reclamation of the location. At final

abandonment, the well location, and access road would undergo "final" reclamation so that the character and productivity of the land are restored. The well would be plugged according to federal and state requirements. After the well is plugged, the location would be cleared of all facilities, equipment, and the surface reclaimed. The surfacing material would be removed. An abandonment marker would be installed on the well casing and it would be cut off 4' below ground level. The access roads would be reclaimed to as near natural conditions as possible. *(See attached reclamation plan)*

Map 1. Location of proposed action.



NO ACTION ALTERNATIVE: The "no action" alternative would be that BLM would not authorize the application to drill the proposed well.

AFFECTED ENVIRONMENT:

Table 2. The following critical resources have been evaluated in this EA:

Mandatory Item	Potentially Impacted	No Impact	Not Present On Site
Threatened and Endangered Species		X	
Floodplains			X
Wilderness Values			X
ACECs			X
Water Resources	X		
Air Quality	X		
Cultural or Historical Values			X
Prime or Unique Farmlands			X
Wild & Scenic Rivers			X
Wetland/Riparian			X
Native American Religious Concerns			X
Wastes, Hazardous or Solids	X		
Invasive, Nonnative Species	X		
Environmental Justice		X	

Water Resources, Air Quality, and Invasive/Non-native Species are potentially affected and will be analyzed further, as will other potentially affected resources. Forestry, Fire, Geology, Recreation, Wetlands, Livestock Grazing, or Ecologically Critical Areas are not considered to be affected by the proposed action and will not be analyzed in detail in this Environmental Assessment.

Air Quality: The public land in this area has a Class II air quality rating. The air would contain some pollution from the oil and gas activities in the area, including hydrogen sulfide gas, sulfur dioxide gas from venting and flaring activities, and dust particulates from surface-disturbing activities. The nearest Class I airshed is the southern portion of Theodore Roosevelt National Park in western North Dakota, which is approximately 45 miles northeast of the project area.

Cultural Resources/Paleontology: The proposed well and infrastructure corridor have been inventoried for cultural resources. No cultural resources were found in the inventory around the proposed well pad (See BLM Cultural Resources Report MT-020-13-28). Based on the inventory results, BLM determined that there would be no effect to historic properties from the proposed action. The Montana SHPO concurred with BLM's determination of no effect on March 19, 2013. No additional cultural resource work is recommended subject to Condition of Approval # 5. The proposed project is in the Tongue River Member of the Fort Union Formation. The Tongue River Member has a Potential Fossil Yield Classification of 3a and is not expected to yield paleontological materials..

Hydrology: Review of data from Montana Bureau of Mines and Geology Groundwater Information Center (http://mbmggwic.mtech.edu/ [accessed 5/16/13]) indicates that there are no wells present within one mile of the proposed location. The nearest wells are located in section 6, T26N, R58E, about 1.2 miles north-northwest. At this location, there are three wells, ranging in depth from 410 to 1,335 feet completed in the Fort Union and Fox Hills Formations, respectively. They are used as a source of domestic water and for stock watering.

The proposed action is located within the Charlie-Little Muddy watershed (HUC 10060005). Two unnamed ephemeral drainages are located on the southwest and southeast edges of the proposed action and only flow as a result of snowmelt or precipitation events. Peak flows generally occur March through May, resulting from melting snow and rainfall. Intense flows of short duration occur throughout the summer following thunderstorms. The Missouri River is a perennial waterbody located 5.8 miles downstream from the proposed site and is MT-DEQ listed under §303(d) of the Clean Water Act as impaired due to water temperature and other flow regime alterations. The impairment has been attributed to dams or impoundments and impacts from hydrostructure flow regulation/modification.

Lands/Realty: There are no BLM-issued permits or rights-of-way in the area of the proposed project.

Minerals: This oil well would result in the production of oil from the Bakken Formation. Other mineral resources present in the area would not be affected by this action.

Soils: Soil affected by the well site and access road was identified from the U.S. Department of Agriculture, Natural Resources Conservation Service Soil Survey Geographic (SSURGO) database for Richland County, Montana. Soil affected by the proposed action is the Cherry-Cambert-Cabba silt loams. The Cambert series consists of moderately deep, well drained soils that formed in material derived from semiconsolidated loamy sedimentary beds. These soils are on sedimentary plains and hills. Slopes are 0 to 25 percent. Mean annual precipitation is about 14 inches, and mean annual temperature is about 42 degrees F. For the Official Series Description visit: http://websoilsurvey.nrcs.usda.gov/app/

Vegetation: The majority of the proposed project area vegetation type is characterized by Rocky Mountain juniper, skunkbush sumac, big and silver sagebrush, and grasses comprised of little bluestem, sideoats gramma, western wheatgrass, prairie sandreed, prairie junegrass and western wheatgrass. A variety of forbs and other graminoid species may be present, but none of these are prominent. The drainages located on both sides of the project area contain limited amounts of green ash.

Visual Resource Management (VRM): This region has low rolling hills and fields covered with prairie vegetation on slopes, and brushes in the draws, or are cultivated croplands. There are fence lines locally, and livestock are being pastured on this location. Some of the geomorphologic features of this region have been influenced by glaciation, and the viewshed is consistent with the VRM Class IV Objectives**.** The objective of this class is to provide for management activities which require major modification of the existing character of the landscape. The level of change to the characteristic landscape can be high. These management activities may dominate the view and be the major focus of viewer attention. However, every attempt should be made to minimize the impact of these activities through careful location, minimal disturbance, and repeating the basic landform elements.

Wildlife: Numerous wildlife species inhabit the proposed action area. Wildlife species include mule and whitetail deer, pronghorn, sharp-tailed grouse and a wide variety of non-game wildlife species including migratory birds. The project area is within an area designated a crucial mule and whitetail deer winter range. Based on topography and vegetative types, the area seems more suited as mule deer winter range than whitetail deer winter range. Big game winter ranges are precluded from development from December through March, unless an exception is granted. Due to the magnitude of the development of this area, coupled with the proximity of this location to a main access road and other development, the functionality of this winter range has been compromised to the point where little additional benefit is provided to wintering big game.

Brewer's sparrow, chestnut-collared longspur, golden eagles, and other BLM Sensitive bird species, all of which are protected via the Migratory Bird Treaty Act, may inhabit and nest within the project area. Nesting typically begins around mid-April and is generally completed around mid-July. Although the project area is within the migration corridor of the endangered whooping crane, the project area does not contain suitable "stop-over" habitat.

DESCRIPTION OF ENVIRONMENTAL EFFECTS

Introduction: Impacts resulting from the Proposed Action and the No Action alternative are the same for all resources except minerals. Therefore, impacts resulting from the No Action Alternative will only be discussed under mineral resources.

DESCRIPTION OF ENVIRONMENTAL EFFECTS FROM THE PROPOSED ACTION

Air: Air quality within a short distance from construction and drilling and completion activities would be temporarily affected by increased dust levels, exhaust gas from rig and vehicle engines, and other activities related to the surface disturbance prior to drilling, and during the drilling/completion of the oil well. Flaring or venting of produced gas may be necessary to produce this well but would not degrade air quality to a large degree. Visibility is extremely good. Existing air quality and visibility would be temporarily affected by fugitive dust from vehicles, and vehicle emissions. These impacts would not be anticipated to exceed air quality standards. Noticeable affects to Class I air sheds are not anticipated as Theodore Roosevelt Park is approximately 45 miles southeast of the location. Application of scoria and gravel for surfacing material and completion of reclamation would help reduce fugitive dust levels.

Cultural/Paleontology: No cultural resource values considered eligible for the National Register of Historic Places values would be impacted or affected by the proposed action nor would there be affects to properties listed on, or that may be considered eligible for listing on, the National Register of Historic Places. There will be no impacts to cultural resources as a result of the selection and implementation of the Proposed Action alternative or with the selection and implementation of the No Action alternative. Unanticipated discoveries during facility construction would be dealt with through implementation of Condition of Approval No. 2 (5) attached to this document. No impact to paleontological resources through the proposed action.

Hydrology: Using a fresh water mud system and cementing the surface casing string from about 1900 feet back to the surface would protect the shallow aquifers. Deeper aquifers and potentially productive hydrocarbon zones would be protected through the use of production casing, and cementing. Due to the use of runoff preventive measures and the presence of sediment filtering vegetation between the construction sites and live waters, effects to surface waters would be nearly unnoticeable. In addition the proper installation of culverts and riprap would mitigate drainage runoff during times of precipitation and effects would also be nearly unnoticeable. The producing fractured zone depth is 9000 to 11,000 feet in depth, well below the typical depth of usable ground water. Well bore construction isolates the Fox Hills and shallower formations with surface casing set below the base of the Fox Hills and cemented to surface. Production casing is set from the surface to the producing formation and is typically cemented to 4000 to 5000 feet above the producing formation. These factors combine to protect usable ground water from the fracing process. Approximately 20 to 30 stimulation stages (every 300 to 500 feet) would be needed for a typical horizontal well bore to fracture stimulate the formation. Each stage requires approximately 1400 barrels of fluid (an average of about 36,000 barrels per well). Stimulation fluid would be disposed of at an approved disposal facility or recycled for reuse or a combination of both.

Minerals: Completion of the proposed well as an oil well along with the installation of the associated infrastructure would result in additional oil and natural gas entering the market and an increase of royalties to the Federal and State governments. Production and test results may lead to drilling additional wells in the area.

Socioeconomics: Drilling/development activities would contribute to the local economy by providing employment opportunities, monies to local contractors, increased local tax base, and recycled revenues through the local economy. Additional revenues would be generated in the form of royalty payments to the state and federal governments.

Soils: Approximately 7.8 acres of soils would be disturbed by well-pad and infrastructure, construction, resulting in soil mixing, and ground-cover removal. Such surface disturbing acts alter soil characteristics and reduce ground cover exposing soils to accelerated erosion by wind and water. Soil recovery following disturbance would be accelerated by measures that minimize the total area of disturbance, control wind and water erosion, maintain topsoil viability, and reduce compaction, as well as rapid implementation of reclamation. The Big Dry Resource Management Plan has a steep slope stipulation. Any oil or gas location with a slope greater than 30 percent will require an engineering and reclamation plan. Due to the steep slopes and the potential difficulty in reclaiming the terrain, an engineering and reclamation plan was requested. These measures shall be outlined in the required Engineering and Reclamation Plan. Once construction is completed and vegetation is reestablished, erosion should return to natural conditions.

Vegetation: Approximately 7.8 acres would be removed by the proposed oil well. The well location and road would be reclaimed, contoured and seeded to meet BLM's requirements following construction or abandonment operations. The reclamation measures, along with an approved weed management plan, would ensure potential impacts from noxious weeds and invasive plants would be minimal. The reclamation measures in the Surface Use Plan and Conditions of Approval would help mitigate potential impacts from noxious and invasive weeds.

Following plugging and abandonment, the disturbed areas would be reclaimed, contoured, and seeded, to BLM's requirements (in accordance with the Engineering and Reclamation Plan) to reestablish a vegetation regime. The disturbance would present the opportunity for noxious weed invasion and spread, which may be brought in by natural carries and/or construction equipment.

Wildlife: Approximately 7.8 acres of rangeland vegetation will be lost and temporarily disturbed by the well pad and road construction. Re-seeding the area should help to restore the lost wildlife forage and habitat. Construction, drilling, and/or production may result in permanent or temporary displacement of some wildlife species. However, on a landscape basis, the access road and well pad will contribute to additional wildlife habitat fragmentation, with the impacts to wildlife over the long term resulting in a loss of habitat for nesting, foraging, breeding and cover.

The road network, which was more limited prior to oil development now allows for greater hunter access and less security for the game animals occupying this habitat. The disturbance associated with construction and then operation of the well will result in lost functionality of the mule and whitetail deer winter range, resulting in the area supporting a smaller number of animals. Wintering big game will not be protected by application of the December through March timing restriction, as the functionality of this habitat has been reduced. However, with the infrastructure associated with this well and others remaining to some degree, the carrying capacity of the area for mule deer and to a lesser extent, whitetail deer will be reduced.

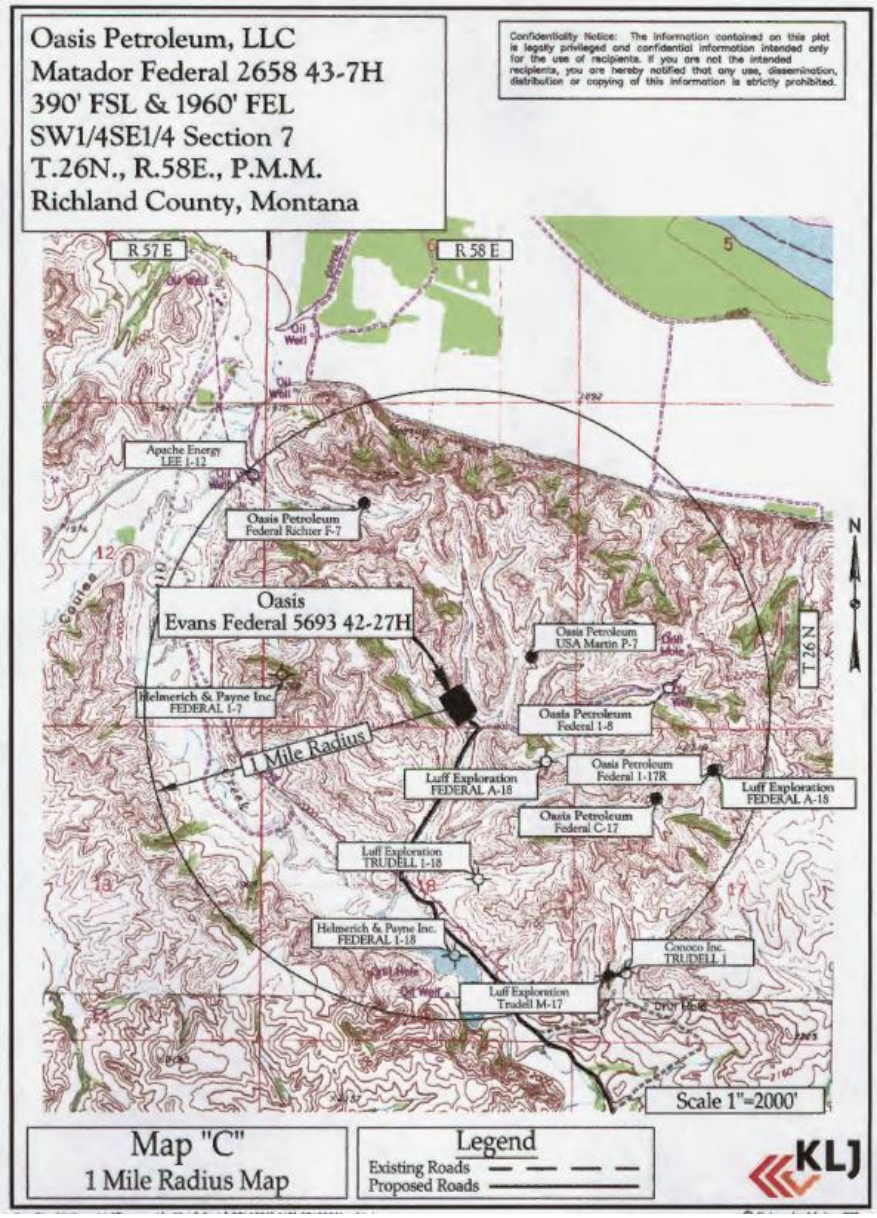
Impacts of energy development to songbirds and other migratory bird species includes declines in breeding densities near roads, power line electrocutions, and other impacts from noise and habitat fragmentation. Energy development (oil, gas, and wind) and associated roads and facilities increase the fragmentation of migratory bird habitat. Ground nesting birds will be protected by the migratory bird nesting stipulations. When the field is no longer producing and vegetative reclamation of the field has occurred, the area will once again provide habitat for the wildlife species associated with these habitat types.

DESCRIPTION OF IMPACTS FROM THE NO ACTION ALTERNATIVE:

The "no action" alternative would be that BLM would not authorize any construction, drilling or production activities needed for the proposed well and to enter and produce from Federal leases. Consequently, there would not be any additional impacts to the environment.

Minerals: Under this Alternative, if BLM does not approve the application, portions of the Federal lease would not be tested by the proposed wells; which could result in oil not being produced from the lease. No production from the Federal lease would result in the loss of additional oil being added to the market place, and loss of royalties to the Federal and State governments. An analysis of the oil production in the area indicates an average oil well would produce approximately 500,000 barrels of oil during the life of a well. By choosing this alternative we would be denying the opportunity to produce approximately 500,000 barrels for the nation. If BLM does not approve the application, the wells would not be drilled and tested which would result in the loss of subsurface information in the area.

Map 2. Location of Existing Wells within a 1-Mile Radius of the Proposed Location



CUMULATIVE IMPACTS FROM THE PROPOSED ACTION

A study area consisting of a 1 mile radius (see Map 2) around the proposed well location was developed as an aid in conducting cumulative impact analysis. Application of the one mile radius indicates that there

are 11 producing oil wells, 7 plugged and abandoned wells, 2 active injection wells, 1 shut-in well, and 1 temporary abandoned well.

The proposed well is located in a developed oil field surrounded by an upland area of both native and annual vegetation, and agriculture and grasslands at a much broader scale. The proposed well site and surrounding area serves as wildlife habitat for a variety of species. The addition of the proposed well and constructed access route will impact individual wildlife species but would not be expected to result in measurable impacts at the population level; however, the result of all past actions coupled with this action would increase the extent of stressors on the native fauna within the area. This action combined with reasonable future foreseeable development within this area, would likely result in impacts to populations of various development intolerant wildlife species.

Cumulative effects from implementing the proposed action are anticipated for air quality for a period of less than five years. If flaring of casing head gas is required to produce these well, there could be long term minor impacts to air for the life of the well (about 20-30 years). In addition, both short term (<5 years) and long term (>5 years) effects are expected for soils, range, vegetation, hydrology, and wildlife.

CUMULATIVE IMPACTS FROM THE NO ACTION ALTERNATIVE:

The proposed well would not contribute to cumulative impacts to the surrounding resources because no activities would be authorized by the BLM. The existing environment would continue to undergo impacts from existing activities and other activities that might be approved in the project areas.

MITIGATION TO REDUCE IMPACTS FROM THE PROPOSED ACTION:

Soils: All topsoil and subsoil would be removed from the area needed for well pad construction and saved for reclamation.

VRM: All above ground facilities would be painted Covert Green within six months of the well completion.

Waste Disposal and Containment of Fluids: Any materials classified, as nonexempt hazardous wastes, shall be disposed of at an Environmental Protection Agency (EPA) approved facility. A fence shall be maintained in a manner to prevent livestock and wildlife from entering the area of the well pad, and shall be constructed in accordance with the landowner's specifications.

Drilling Operations: The drilling location shall be cleaned of all debris, material and equipment after the well is completed. Equipment cannot be stored on the topsoil stockpile. Burning materials or oil is not allowed as part of this project.

If H2S is encountered in excess of 100 parts-per-million **(**ppm) in the gas stream, the operator shall bring the operations into compliance with applicable provisions of Onshore Order No. 6.

Shallow aquifers would be protected by running surface casing to about 1,779 ft. and cementing back to the surface. Potentially productive hydrocarbon zones and deeper aquifers would be isolated by running production casing to about 10,427 ft. MD and cementing to approximately 3,700 ft..

Appropriately sized BOP's would be used to control the well and prevent the accidental release of hydrocarbons or salt water into the environment.

Surface Reclamation: (see Engineering and Reclamation Plan)

CONSULTATION/COORDINATION: Oasis Resources, Inc.,

LIST OF PREPARERS:

Dale Tribby	Wildlife Biologist
Chris Robinson	Hydrologist
Guy Stickney	Engineer
Doug Melton	Archeologist
Paul Helland	Petroleum Engineer
Rick Lang	Natural Resource Specialist

REFERENCES:

- Big Dry RMP/EIS (Final), Appendix Minerals;
- Oil & Gas RMP/EIS pgs 49-54, 75-77
- Engineering and Reclamation Plan
- Oasis Resources, Inc., APD's
- Matador Federal 2658 43-7H BLM MCFO Cultural Resource Reports

UNITED STATES

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
MILES CITY FIELD OFFICE
FINDING OF NO SIGNIFICANT IMPACT
Oasis Resources, Inc.
Matador Federal 2658 43-7H

DOI-BLM-MT-C020-2013-125 EA

BACKGROUND

The Bureau of Land Management (BLM) completed an Environmental Assessment (EA), No. DOI-BLM-MT-C020-2013-125 of the above listed Oasis Resources, Inc. Applications for Drilling (APD). The APD includes the drilling, completing, and producing of one horizontal oil well, along with the construction of a level well pad, an access road, and installation of the associated infrastructure.

The well will be drilled and completed in the Bakken formation. The average production life of the well is expected to be 20 to 30 years with final reclamation to be completed 2 to 3 years after plugging of the well.

ALTERNATIVES ANALYZED

The EA analyzed the Proposed Action and the No Action Alternative. The EA is attached to and incorporated by reference into this Finding of No Significant Impact (FONSI) determination.

FINDING OF NO SIGNIFICANT IMPACT

On the basis of the information contained in the EA (DOI-BLM-MT-C020-2013-125-EA), and all other information available to me, it is my determination that:

(1) The implementation of the Proposed Action would not have significant environmental impacts beyond those already addressed in the Big Dry Resource Management Plan.

(2) The Proposed Action and Alternative would be in conformance with the Record of Decision for the Big Dry Resource Management Plan; and

(3) The Proposed Action or Alternative would not constitute a major federal action having a significant effect on the human environment.

Therefore, an environmental impact statement or a supplement to the existing environmental impact statement would not be necessary and would not be prepared.

This finding is based on my consideration of the Council on Environmental Quality's (CEQ) criteria for significance (40 CFR 1508.27), both with regard to the context and to the intensity of the impacts described in the EA.

Context

The project is a site-specific action directly involving a total of approximately 7.8 acres of new disturbance in Richland County, Montana. The project area includes 1 oil well. The Proposed Action would be to construct one level well pad, access road and associated infrastructure.

Intensity

The following discussion is organized around the Ten Significance Criteria described in 40 CFR 1508.27 and incorporated into resources and issues considered (includes supplemental authorities Appendix 1 H-1790-1) and supplemental Instruction Memorandum, Acts, regulations and Executive Orders. The following have been considered in evaluating intensity for this proposal:

1. Impacts that may be both beneficial and adverse. The Proposed Action would impact resources as described in the EA. Mitigation measures to minimize or eliminate adverse impacts were identified in the analysis and will be included as Conditions of Approval with the approved permits. The EA also disclosed beneficial impacts from the proposed project, such as the potential to bring additional oil and gas into the market place and increase revenues to federal and state and local governments, and to obtain scientific data of the local geology, and to increase the knowledge base of the mineral resources potential. None of the environmental effects discussed in detail in the EA exceed those described in the Big Dry Resource Area Management Plan.

2. The degree to which the proposed action affects public health and safety. No aspect of the project would have an effect on public health and safety. The Proposed Action minimizes adverse impacts to public health and safety by project design and additional mitigation measures. No residences are located within a 1 mile radius of the proposed well. Implementation of H2S Safety Measures will be required if H2S is encountered in excess of 100 ppm in the gas stream, the operator shall immediately ensure control of the well, suspend drilling ahead operations (unless detrimental to well control), and obtain materials and safety equipment to bring the operations into compliance with applicable provisions of Onshore Order No. 6.

3. Unique characteristics of the geographic area such as proximity of historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas. The location of the proposed well, access roads, have been subject to a cultural resource inventory. The historic and cultural resources of the area have been reviewed by an archeologist and. The selected Alternative would not affect cultural properties listed on or eligible for listing on the National Register of Historic Places (See Report # listed in the EA for details).

There are no effects on park lands, prime farm lands, wetlands, wild and scenic rivers, or ecologically critical areas.

4. The degree to which the effects on the quality of the human environment are likely to be highly controversial. No unique or appreciable scientific controversy has been identified regarding the effects of the selected Alternative. The environmental analysis did not show any highly controversial effects to the quality of the human environment.

5. The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks. The analysis did not show any unique or unknown risks to the human environment. The project is not unique or unusual because BLM, the State of Montana and the State of North Dakota have approved similar actions in the same geographic area. The environmental effects to the human environment are analyzed in the environmental assessment. There are no known predicted effects on the human environment that are considered to be highly uncertain or involve unique or unknown risks.

6. The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration. The actions considered in the selected alternative were considered by BLM within the context of past, present, and reasonably foreseeable future actions. The action would not establish a precedent, since the project area is in a developed oil and gas field. The selected alternative is consistent with actions appropriate for the area as designated by the Big Dry RMP.

7. Whether the action is related to other actions with individually insignificant but cumulatively significant impacts. The environmental analysis did not reveal any cumulative effects beyond those already analyzed in the EIS for the Big Dry RMP.

8. The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historic resources. The project will not affect districts, sites, highways, structures, or other objects listed on or eligible for listing in the National Register of Historic Places, nor would it cause loss or destruction of significant scientific, cultural, or historical resources. Identified cultural resources would be avoided by the well and would not be impacted by implementing the mitigation measures listed in the conditions of approval for the project.

9. The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973. There are no threatened or endangered species or habitat in the area of the proposed project. There are no threatened or endangered plant species or habitat in the area.

10. Whether the action threatens a violation of Federal, State, Tribal or Local law or requirements imposed for the protection of the environment. The Proposed Action does not threaten to violate any Federal, State, Tribal, or local law or requirement imposed for the protection of the environment. Furthermore, the project is consistent with applicable land management plans, policies, and programs.

Shane Findlay

for 6/21/2013

Todd D. Yeager
Field Manager
Miles City Field Office

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
MILES CITY FIELD OFFICE
DECISION RECORD

Oasis Resources, Inc.
Matador Federal 2658 43-7H
DOI-BLM-MT-C020-2013-125 EA

DECISION

Based upon the analysis of potential environmental impacts and mitigation measures described in EA DOI-BLM-MT-C020-2013-125, it is my decision to select the Proposed Action and approve the Applications for Permit to Drill (APD) for the well number: Matador 2658 43-7H submitted by Oasis Resources and modified by conditions of approval. The selected alternative is in conformance with the Big Dry Resource Management Plan, as amended.

ALTERNATIVES

The EA also considered the No Action alternative which would carry out no management activities at this time.

RATIONALE FOR SELECTION

The BLM has been mandated by Congress and the President to manage public lands for multiple uses. One of these legitimate uses is energy production. The purpose of the action is to allow Oasis Resources, Inc. to drill and produce the Oasis Resources Matador Federal 2658 43-7H horizontal oil well in Section 7, T. 12 N., R. 57 E., Richland, Montana, to provide for the continued orderly, efficient and environmentally responsible development of Federal lease MTM070411, consistent with the goals, objectives, and decisions of the Big Dry Resource Management Plan, April 1996, as amended, which was prepared with extensive public involvement. Oil and gas lease stipulations and potential, but not all, conditions of approval designed to protect sensitive resources were identified at that time. This action is in conformance with the Big Dry Resource Management Plan, which was analyzed in an environmental impact statement.

Compliance and Monitoring: BLM would conduct compliance and monitoring inspections during the different phases of operations. Inspections would be conducted to determine whether or not operations are being conducted in compliance with the approved permit. Monitoring inspections would be conducted to determine the effectiveness of mitigation measures, results of reclamation work, and impacts to other resources. Based upon the results of inspections, BLM would impose requirements to modify operations to minimize or eliminate adverse impacts to other resources.

APPEALS LANGUAGE

You have the right to request a State Director Review of this decision and these Conditions of Approval pursuant to 43 CFR 3165.3(b). An SDR request, including all supporting documentation must be filed with the Montana State Office, State Director (MT-920) at 5001 Southgate Drive, Billings, Montana 59101-4669 within 20 business days of your receipt of this decision. If adversely affected by the State Director's decision, it can be further appealed to the Interior Board of Land Appeals (IBLA) pursuant to 43 CFR 3165.4, 43 CFR 4.411, and 43 CFR 4.413. Should you fail to timely request an SDR, or after receiving the State Director's decision, fail to timely file an appeal with IBLA, no further administrative review of this decision would be possible.

Shane Findlay

6/21/2013

Todd D. Yeager
Field Manager
Miles City Field Office

Date

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Miles City Field Office
111 Garryowen Road
Miles City, Montana 59301-7000
www.blm.gov/mt

In Reply Refer To:
3160 (MTC022)
MTM070411

June 21, 2013

Oasis Onshore, LLC.
Attn: Brandi Terry
1001 Fannin Street, Suite 1500
Houston, Texas 77002

RE: Federal Lease No.: MTM070411
Matador Federal 2658 43-7H
SW¼SE¼, Section 7, T. 26 N., R. 58 E.
Richland County, Montana

Dear Ms. Terry:

Your application to drill the above referenced APD is approved subject to the provisions of the Applications for Permit to Drill, including the drilling and surface use programs submitted with your application, plus the following Conditions of Approval. In addition, as the operator, you are responsible for obtaining all required authorizations and permits.

The spacing unit for this well requires a communitization agreement. Therefore the operator shall submit a communitization agreement to the Bureau of Land Management, Miles City Field Office, 111 Garryowen Road, Miles City, Montana 59301.

CONDITIONS OF APPROVAL

1. Site Specific:

As per the USFWS Standard Conditions and Recommendations, work would cease if whooping crane sightings occur within one mile of the proposed project area. In coordination of the Service, work may resume when the crane(s) have left the area.

The operator must comply with applicable State (Montana DEQ) and Federal (EPA) regulations to minimize impacts to air quality.

A. Production Facilities:

1. If a tank battery is constructed on location, each tank setting, treater, and separator, must be surrounded on all sides by an impermeable dike of sufficient capacity to adequately contain 110% of the contents of the largest vessel within it, plus one (1) day's production.

2. Heater treater, incinerator and combustor exhaust stacks shall be fitted with an "exhaust cone" to prevent mortality to bats and nesting birds.

3. All above ground facilities shall be painted Covert Green 18-0617TPX within six months of well completion and maintained as such to comply with visual quality objectives.

B. Drilling Operations:

1. The pit shall be fenced on three sides during drilling operations and the fourth side after completion of drilling operations. The fence shall be constructed to the following requirements: posts to be no more than 16' apart; fence wire: four wires of at least 12.5 gauge, double strand twisted; two stays between posts; wire stretched taut between brace panels, wire spacing from the ground up: 14″, 22″, 30″, 42″ OR steel panels may be used to fence the pit. If steel panels are used, a steel post shall be placed every 4′ to reinforce panels. Fence shall be maintained to prevent livestock and wildlife from entering the area until pit is reclaimed.

2. Storage tanks must be on the pad and surrounded with a dike and trench sloped to the cuttings pit.

3. If cuttings pit contains any fluids during active drilling, it shall be netted to prevent the entry of migratory birds and other wildlife.

4. If cuttings pit contains any fluids, a minimum of 2 feet of freeboard shall be maintained in the pit.

5. The pit shall be lined with a minimum 12 millimeter impermeable synthetic liner and permeability < 10-7 cm/sec; resistant to UV, weathering, chemicals, punctures, and tearing; and be placed on bedding material if bedrock is abrasive. The liner shall be installed in accordance with the manufactures requirements on material that will not tear or puncture the liner.

6. Surface casing must be set a minimum of 50 ft. into the Pierre shale.

7. All pressure control equipment shall be in compliance with Onshore Order # 2 for a 5M system.

8. If H2S is encountered in excess of 100 ppm in the gas stream, the operator shall immediately ensure control of the well, suspend drilling ahead operations (unless detrimental to well control), and obtain materials and safety equipment to bring the operations into compliance with applicable provisions of Onshore Order No. 6. The operator shall notify the authorized officer of the event and the mitigating steps that have or are being taken as soon as possible, but no later than the next business day.

9. The operator is responsible for the suppression of any fires started as a result of operations. The contractor must have the necessary equipment, including fire extinguishers or water, to provide initial suppression of fire.

C. Pit reclamation:

1. If cuttings pit contains fluids and active drilling is not occurring, operator shall reclaim pit immediately upon cessation of drilling operations or shall net the entire pit to prevent the entry of migratory birds and other wildlife until the pit is reclaimed.

2. All pit(s) shall be emptied of all fluids within 90 days after completion of drilling operations.

3. The pit may not be cut or trenched.

4. The pit material shall be covered with a minimum of 3 feet of overburden. The pit shall be closed properly to assure protection of soil, water, and vegetation.

D. Waste Disposal:

1. Any materials classified as nonexempt hazardous wastes shall be disposed of in an EPA approved facility.

2. Burning of materials or oil is not allowed.

F. Interim Reclamation:

****See attached reclamation RECLAMATION PLAN for, Oasis Petroleum, LLC, Matador Federal 2658 43-7H, SW1/4 SE 1/4 Section 7, Township 26 N, Range 58 E., Richland County, Montana**

H. Final Reclamation:

1. A Sundry Notice shall be submitted to this office for Final Reclamation approval. The plan shall address the well sites and access roads.

   ****See attached reclamation RECLAMATION PLAN for, Oasis Petroleum, LLC, Matador Federal 2658 43-7H, SW1/4 SE 1/4 Section 7, Township 26N, Range 58E., Richland County, Montana**

2. Verbal Notifications

The following notifications shall be made to the BLM, Miles City Field Office (MCFO)(406) 233-2800, or after business hours to the appropriate individual's home phone shown on the list attached.

A. Notify this office verbally at least 48 hours prior to beginning construction.

B. Notify this office verbally at least 12 hours prior to spudding the well (to be followed up in writing within 5 days).

C. Notify this office verbally at least 12 hours prior to running any casing or conducting any BOP tests (to be followed up in writing within 5 days).

D. Notify this office verbally at least 6 hours prior to commencing any DST test.

E. Notify this office verbally at least 24 hours prior to plugging the well to receive verbal plugging orders.

3. A complete copy of the approved Application for Permit to Drill (APD), including conditions, stipulations, and the H2S contingency plan (if required) shall be available for reference at the well site during the construction and drilling phases. **A copy of the approved Surface Use Plan of Operations and Conditions of Approval (COAs) shall be provided to the surface owner(s) prior to initiating construction.**

4. This drilling permit is valid for either two year from the approval date or until lease expiration, whichever occurs first.

5. If any cultural values (sites, artifacts, human remains, etc.) are observed during operation of this lease/permit/right-of-way, they are to be left intact and the BLM, Miles City Field Office and BIA notified. The authorized officer will conduct an evaluation of the cultural values to establish appropriate mitigation, salvage or treatment. The operator is responsible for informing all persons in the area who are associated with this project that they would be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is immediately to stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days, the AO would inform the operator as to:

   A. whether the materials appear eligible for the National Register of Historic Places;
   B. the mitigation measures the operator would likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
   C. a timeframe for the AO to complete an expedited review under 35 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

6. The Operator shall be responsible for control of noxious weeds occurring as a result of lease operations. The surface owner shall be responsible for approval of the weed control program.

7. The abandonment marker shall exhibit the same information required for the well sign. The abandonment marker (steel plate welded to surface casing 4' below ground level) shall be installed when the well is plugged.

8. Additional requirements may be imposed if changes in operational and/or environmental conditions dictate.

INFORMATIONAL NOTICE

This is not a complete list of requirements, but is an abstract of some major requirements.

1. General Requirements

   a. The lessee or designated operator shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders; NTL's; and with other orders and instructions of the authorized officer. Any deviation from the terms of the approved APD require prior approval from BLM (43 CFR 3162.1(a)).

   b. If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease due to a lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligation determined by the authorized officer.

2. Drilling Operations (Onshore Order No. 2)

   a. If DST's are run, all applicable safety precautions outlined in Onshore Order No. 2 shall be observed.

   b. All indications of usable water (10,000 ppm or less TDS) shall be reported to the Miles City Field Office prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

3. Well Abandonment (43 CFR 3162.3-4, Onshore Order No. 1 - Sec. V)

   Approval for abandonment shall be obtained prior to beginning plugging operations. Initial approval for plugging operations may be verbal, but shall be followed-up in writing within 30 days. Subsequent and final abandonment notifications are required and shall be submitted on Sundry Notice (Form 3160-5), in triplicate.

4. Reports and Notifications (43 CFR 3162.4-1, 3162.4-3)

   a. Within 30 days of completion of the well as a dry hole or producer, a copy of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample descriptions or data obtained and compiled during the drilling, workover, and/or completion operations shall be filed with a Completion Report (Form 3160-4), in duplicate.

   b. In accordance with 43 CFR 3162.4-3, this well shall be reported on the Oil and Gas Operations Report (OGOR, MMS-4054), starting with the month in which drilling operations commence, and continuing each month until the well is physically plugged and abandoned.

c. Notify this office within 5 business days of production start-up if either of the following two conditions occur:

(1) The well is placed on production.
(2) The well resumes production after being off of production for more than 90 days.
"Placed on production" means shipment or sales of hydrocarbons from temporary tanks, production into permanent facilities or measurement through permanent facilities.

Notification may be written or verbal with written follow-up within 15 days, and must include the following information:

1. Operator name, address, and telephone number.

2. Well name and number, county and state.

3. Well location, "¼¼", Section, Township, Range, P.M."

4. Date well begins or resumes production.

5. The nature of the well's production; that is crude oil, or crude oil casing gas, or natural gas and entrained liquid hydrocarbons.

6. The Federal or Indian lease number.

7. As appropriate, the Unit Agreement name, number and Participating Area name.

8. As appropriate, the Communitization Agreement number.

d. As per Onshore Order No. 6, A.2.b., the "operator shall initially test the H_2S concentration of the gas stream for each well or production facility..." Submit the results of this test within 30 days of filing Form 3160-4, "Well Completion or Recompletion Report and Log".

5. Environmental Obligations and Disposition of Production (43 CFR 3l62.5-1, 3162.7-1 and 40 CFR 302-4)

a. With BLM approval, water produced from newly completed wells may be temporarily stored in reserve pits up to 90 days. During this initial period, application for the permanent disposal method shall be made to this office in accordance with Onshore Order No. 7. If underground injection is proposed, an EPA or State permit shall also be obtained. If surface discharge of produced water is proposed, an MPDES permit shall also be required.

b. Spills, accidents, fires, injuries, blowout and other undesirable events shall be reported to this office within the timeframes in NTL-3A.

c. You are required to take all necessary steps to prevent any death of a migratory bird in pits or open vessels associated with the drilling, testing, completion, or production of this well. The death of any migratory bird found in such a pit or open vessel is a violation of the Migratory Bird Treaty Act and is considered a criminal act. Any deaths of migratory birds attributable to pits or open vessels associated with drilling, testing, completing or production operations must be reported to this office and the United States Fish and Wildlife Service within 24 hours.

We may require that the pit be designed or the open vessel be covered to deter the entry of birds in any facility associated with drilling, testing, completion or production of this well. Fencing, screening and netting of pits may be required as a means to deter bird entry. These conditions would most likely be imposed to prevent the entry of migratory birds if oil is left in pits or open vessels after the cessation of drilling or completion of operations, if water disposal pits consistently receive oil, or if pits or open vessels are used repeatedly for emergency situations which result in the accumulation of oil.

Voluntary pit fencing, screening and netting, or sealing vessels, is encouraged to avoid potential instances that may result in the death of a migratory bird.

d. Gas produced from this well may not be vented or flared beyond an initial, authorized test period of 30 days or 50 MMCF following its completion, whichever first occurs, without the prior, written approval of the authorized officer. Should gas be vented or flared without approval beyond the test period authorized above, you may be directed to shut-in the well until the gas can be captured or approval to continue the venting or flaring as uneconomic is granted, and you shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

6. Well Identification (43 CFR 3162.6)

Each drilling, producing or abandoned well shall be identified with the operator's name, the lease serial number, the well number, and the surveyed description of the well (either footages or the quarter-quarter section, the section, township and range). The Indian lessor's name may also be required. All markings shall be legible, and in a conspicuous place.

7. Site Security (43 CFR 3162.7.5)

a. Oil storage facilities shall be clearly identified with a sign, and tanks must be individually identified (43 CFR 3162.6(c)).

b. Site security plans shall be completed within 60 days of production startup (43 CFR 3162.7-5(c)).

c. Site facility diagrams shall be filed in this office within 60 days after facilities are installed or modified (43 CFR 3162.7-5(d)(1)).

8. Public Availability of Information (43 CFR 3100.4)

All submitted information not marked "CONFIDENTIAL INFORMATION" will be available for public inspection upon request.

You have the right to request a State Director Review of this decision and these Conditions of Approval pursuant to 43 CFR 3165.3(b). An SDR request, including all supporting documentation must be filed with the Montana State Office, State Director (MT-920) at 5001 Southgate Drive, Billings, Montana 59101-4669 within 20 business days of your receipt of this decision. If adversely affected by the State Director's decision, it can be further appealed to the Interior Board of Land Appeals (IBLA) pursuant to 43 CFR 3165.4, 43 CFR 4.411, and 43 CFR 4.413. Should you fail to timely request an SDR, or after receiving the State Director's decision, fail to timely file an appeal with IBLA, no further administrative review of this decision will be possible.

Thank you for your cooperation. If you have any questions, please contact a member of our staff at 406-233-2800, or at home, after business hours as shown on the attached list.

Sincerely,

Shane Findlay

Todd D. Yeager
Field Manager
Miles City Field Office

BUREAU OF LAND MANAGEMENT, MILES CITY FIELD OFFICE
ADDRESS AND CONTACTS:

ADDRESS: 111 Garryowen Road, Miles City, Montana 59301
PHONE: (406) 233-2800
BUSINESS HOURS: 7:45 A.M. to 4:30 P.M. (Mountain Time)

Title	Name	Home Phone
Assistant Field Manager – Division of Mineral Resources	David Breisch	(406) 852-3511
Petroleum Engineer	Paul Helland	(406) 951-4550
Supervisor –Natural Resource Specialist	Dan Benoit	(406) 234-7153
Natural Resource Specialist	Jon David	(406) 234-9156
Natural Resource Specialist	Rick Lang Cell	(406) 232-6095 (406) 853-4105
Natural Resource Specialist	Dan Fox Cell	(406) 234-0209 (406) 853-4209
Natural Resource Specialist	Irma Nansel	(406) 234-8981
Petroleum Engineering Technician	Chris DeVault Cell	(406) 234-0784 (406) 853-3643
Petroleum Engineering Technician	Brian Nansel Cell	(406) 234-8981 (406) 853-2840
Petroleum Engineering Technician	Brian Hubbell Cell	(406) 234-1667 (406) 852-0078